

CITY OF BROOKLYN TAX RETURN LINE BY LINE INSTRUCTIONS

Line 1 – Wages and salaries

Please use the worksheet table on the back of the tax form and attach all W-2s and 1099s to the return. The tables below are designed to assist in determining items that should be reported as taxable to the City and items that should not be listed on your tax return. Please use the highest dollar amount of gross wages on each W-2.

The following lists are not all-inclusive:

Taxable Income	Non-Taxable Income
Salaries and wages	Interest income
Bonuses	Dividend income
Commissions and fees	Welfare benefits
Sick pay	Social Security benefits
Third party sick pay	Qualified pension plans
Employer supplemental unemployment benefits	State unemployment
Director fees	Worker's compensation
Vacation pay	Insurance proceeds
Employee contributions to retirement plans	Alimony
Incentive payments	Military pay
Group term life insurance over \$50,000	Capital gains
Severance pay	Annuity distributions
Compensation paid in the form of property	IRA distributions
	Gov't allotments
	Precinct election official (up to \$1,000)
	Intangible income
	Child support
	Retirement income

Taxable Forms	Non-Taxable Forms
W-2	1099 R
1099 MISC	1099 INT
	1099 DIV

Line 2a – Business income

Every Partnership, Corporation, Sole Proprietor, Subchapter – S, Association, Estate or Trust, whether a resident or non-resident who conducts a business as defined by the Brooklyn income tax ordinance must file a tax return on its business activity and pay tax on the net profits.

Line 2b – Rental or Supplemental income

Include rental activity from properties located within the city and for rental property in communities which do not tax at a 2% rate. You should also include activities from the back of Schedule E which would include income or loss from Partnerships, S Corporations, Estates and Trusts, and Real Estate Mortgage Investment Conduits (REMICs). Please provide a copy of Schedule E.

Line 2c – Other income

Please provide documentation or explanation.

Line 2d – Loss carried forward

Net operating losses may be carried forward for five (5) years. No portion of a net operating loss shall be carried back against net profits of a prior year. This applies to any business or rental income loss from prior years. Please include a schedule.

Line 3 – Total other taxable income

Add the amounts on lines 2a, 2b and 2c, subtract line 2d and enter the total on line 3. Amount cannot be less than zero.

Line 4 – Total taxable income before deductions

Add the amounts on lines 1 and 3 and enter the total on line 4.

Line 5 – Deductions

Enter the amount from line 32 on back of return.

Line 6 – Brooklyn taxable income

Subtract from line 4 the amount of deductions on line 5 and enter on line 6.

Line 7 – Brooklyn tax due before credits

Multiply line 6 by 2.0% and enter on line 7.

Line 8 – Refunds received from other localities

Enter refunds or credits received from other localities used as a tax credit for a previous filing with the City of Brooklyn.

Line 9 – Current year tax due

Add lines 7 and 8 and enter on line 9.

Line 10 – Taxes withheld and paid to Brooklyn

Enter the total of column 2 from the worksheet table on back of form.

Line 11 – Taxes withheld and paid to other localities

Enter total of column 3 from worksheet table on back of return. Brooklyn allows a credit for taxes withheld and/or paid to another locality up to, but not more than, 2.0%. THIS APPLIES TO EACH W-2 (or portion thereof) SEPARATELY.

Line 12 – Estimated tax payments

Enter the total amount of estimated income tax payments submitted to the City. If payments have been made after 12/31, please verify your total estimated payments.

Line 13 – Credit carried forward from prior year

This is the overpayment currently credited to your account.

Line 14 – Total credits

Add the amounts on lines 10, 11, 12 and 13 and enter the total on line 14.

Line 15 – No amount due

If the difference between line 9 and line 14 is less than \$1.00, enter zero and proceed to line 21.

Line 16 – Overpayment

If line 14 is greater than line 9, and not less than \$1.00, you have overpaid. Subtract line 9 from line 14 and enter the amount of overpayment on line 16.

Line 17 – Overpayment credited to next year

Enter an amount equal to or less than your entitled refund (line 16) you wish to have applied to your next annual return. Also place this amount on line 26.

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Line 18 – Amount to be refunded

Subtract line 17 from line 16 and enter on line 18.

Line 19 – Balance due

If line 9 is greater than line 14, an amount is due to the City. Subtract line 14 from line 9 and enter the tax you owe on line 19.

Line 20 – Penalty and interest

If you calculated penalty and interest on the back of the return, enter the amount from line 36 onto line 20.

Line 21 – Estimated taxable income

Enter your estimated income for next year on line 21.

Line 22 – Estimated tax due

Multiply line 21 by 2.0%. This amount will represent the estimated tax liability for the next tax year.

Line 23 – Taxes to be withheld

Enter the amount of local tax to be withheld by your employer during the next tax year.

Line 24 – Estimated tax due

Subtract line 23 from line 22 and enter on line 24. This amount represents the estimated amount of outstanding tax liability at the end of the next tax year. If this amount is less than \$100, estimated payments are not required and you may proceed to line 27 and enter zero. Failure to make timely estimated payments per Brooklyn Ordinance will result in penalty and interest charges.

Line 25 – First quarter of estimated tax owed to City

Multiply line 24 by 25% and enter on line 25.

Line 26 – Credit applied to estimated tax payments

Enter amount from line 17.

Line 27 – Net amount due for initial quarterly payment

Subtract line 26 from line 25 and enter the difference on line 27. This amount represents the first quarterly net estimated tax payment for the next tax year.

Line 28 – Total amount due

Add lines 19, 20 and 27 and enter total on line 28. This is the amount due the City of Brooklyn. **Make your check payable to the CITY OF BROOKLYN.**

Line 29 – Taxpayer under age of 18

All persons (resident or nonresident) under the age of 18 are exempt from taxation of wages earned in Brooklyn. The amount placed on line 29 should be all wages earned up to the individual's 18th birthday. Any wages earned after your 18th birthday are taxable. Please provide calculations of income if necessary. Include a photocopy of your birth certificate. Provide pay stub closest to 18th birthday.

Line 30 – Non-resident deduction

If you prorate your income, you must also prorate your withholding. Please provide calculations.

Line 31 – Employment expense

Enter portion of Form 2106 expenses pertaining to income earned in Brooklyn or earned in a locality with a tax rate of less than 2%. If tax rate is less than 2%, only include non-taxed portion of Form 2106. Please provide copy of the Form 2106 and Schedule A.

Line 32 – Total deductions

Add the amounts on line 29, 30 and 31 and enter the total on line 32 and on line 5 on the front of the return.

Line 33 – Penalty: Failure to file a tax return

Enter \$25.00 if filed after **April 17**. If filing a federal extension, please submit a copy.

Line 34 – Penalty: Failure to pay taxes due

Any unpaid income taxes will bear a penalty of 2% per month or \$35.00, whichever is greater, not to exceed 50% of tax due at the time of filing.

Line 35 – Interest

Any unpaid income taxes will bear interest of 2% per month.

Line 36 – Total penalty and interest

Add the amounts on lines 33, 34 and 35 and enter the total on line 36 and on line 20 on the front of the return.

Tax Return Check List

1. Did you sign your tax return?
2. Did you use the highest amount of gross wages on W-2s?
3. Did you enclose all supporting documentation? (W-2s, 1099s and all Federal Schedules & Forms)
4. If you moved during the year, did you indicate your new address and date of move?
5. If your balance due on line 15 was over \$100, did you fill out the declaration of estimate?
6. Did you attach proof of age if applicable?
7. Did you sign and enclose your check or money order if an amount is due. Please **do not** send cash or coins.

EXTENSIONS

A copy of your federal extension must be post-marked on or before April 17th if you file on a calendar year. If your filing is other than a calendar year, extension must be post-marked on or before the last day of the fourth month following your year end.